

Senate Foreign Affairs, Defence and Trade References Committee
ANSWERS TO QUESTIONS ON NOTICE
Department of Industry, Science, Energy and Resources
Inquiry into Opportunities for strengthening Australia's relations with the Republic of France
24 June 2020

AGENCY/DEPARTMENT: DEPARTMENT OF INDUSTRY, SCIENCE, ENERGY AND RESOURCES

TOPIC: French investment in WA

REFERENCE: Question on Notice (Hansard, 24 June 2020, Page number 27-28)

QUESTION No.: ROF-4

CHAIR: Okay. Isn't there a French investment up in the north of Western Australia?

Mr Murfett: Yes, Senator. It's Total.

CHAIR: Total is there. That's right.

Mr Murfett: I take on notice the exact proportion, but they are a significant participant in INPEX's Ichthys LNG project, INPEX being a Japanese petroleum company, but Total is a significant partner in that project. We can provide the committee the facts and figures on that investment as well.

CHAIR: That would be good—and also what the work that could be done in the future in the mining sector is. Is it going to be around the provision of mining equipment? Is there a way to grow that Australian-French partnership around mining? Is it our expertise that is—

Mr Murfett: Yes. On page eight of our submission, we highlight the French government's push towards responsible mining. That's certainly something where Australia are world leaders—in minimising waste and impact on the environment as well as having excellent safety performance. So we have seen opportunities for supply in the METS space—things like remote operating vehicles, drilling, vehicle exploration technologies et cetera. What you tend to see, as my colleague Jessica pointed out before, is either established trade that leads to investment or established trade that leads to investment in a resources project like INPEX. You see trading and the supply of services lead to further investment between countries as well. So it's either a goods driven investment or a services driven investment, and then you tend to confidence build. Over time, you see countries and companies invest in each other's economies beyond just the raw good or initial service supply.

ANSWER

Total Investment

Total, is a major French energy company with operations in 130 countries. In Australia, Total operates in oil and gas exploration and production, renewable energy, trading and chemicals. Total's investment includes 26 per cent of the INPEX operated Ichthys LNG project in north west Australia, with the LNG processed in Darwin. Total also owns 27.5 per cent of the Gladstone LNG project in Queensland, operated by Santos.

Total owns interests in a number of other offshore petroleum titles as follows:

- a 26 per cent interest in the production licence (WA-50-L) covering the Ichthys project. The total investment in this project is estimated at US\$45 billion, and

- a 26 per cent share in WA-51-L, a 30 per cent interest in the WA-285-P Exploration Permit, a 40 per cent interest in the WA-343-P Exploration permit and a 40 per cent interest in the WA-56-R retention lease. All of these titles also have INPEX as operator.

Mining Sector

Australia has one of the world's most innovative mining sectors, and has been at the forefront of some of the sector's most important developments in Mining Equipment, Technology and Services (METS). This includes remote operating vehicles, horizontal drilling, airborne exploration technologies, energy-efficient comminution and mineral flotation.

Australia is a world leader in the adoption and influence of global interoperability standards to support innovation in digital manufacturing operation, robotics, automation and interoperability within the sector, and there exists an opportunity to share intel with French counterparts. The Mining Equipment, Technology and Services Growth Centre known as METS Ignited which is part of the Government Industry Growth Centres Initiative, helps the sector by identifying export barriers and international opportunities, facilitating collaboration on possible solutions and helping METS firms to develop the capacity to participate in global markets. METS Ignited actively seeks to engage with and identify, strengthened international collaboration opportunities including within French mining markets.

Australian mining companies are already well-established in the French market, providing a stepping stone for Australian METS companies. In 2013, Variscan secured an exploration licence in Brittany. In 2017, Australia-based Apollo Minerals acquired Ariege Tungstene SAS, which holds an 80 per cent interest in the Couflens tungsten-copper-gold project, covering a 42 square kilometre area in the Pyrenees region, 130 kilometres south of Toulouse. The area also includes the historic Salau mine, which is also believed to have good potential to be brought back into production. The reopening and modernisation of French mines will consequently increase the demand for mining equipment, technology and services.